THE HIGH COURT OF DELHI AT NEW DELHI

Judgment delivered on : 09.07.2007

WP(C) No.19678/2004

RAJINDER KUMAR AGGARWAL ...Petitioner

- versus -

UNION OF INIDA & ANOTHERS ...Respondents

Advocates who appeared in this case:

For the Petitioner : Mr Manmohan Singh.
For the Respondent No.1 : Mr Rakesh Tiku.
For the Respondent No.2 : Mr Sudhir Chandra Aggarwal, Sr Advocate with Mr Amarjeet Singh, Mr Gurvinder Singh, Mr Gurpreet Singh, Mr Abhyudai Singh and Mr Bhagirati.

CORAM:-
HON'BLE MR JUSTICE BADAR DURREZ AHMED

1. Whether Reporters of local papers may be allowed to see the judgment? YES

2. To be referred to the Reporter or not? YES

3. Whether the judgment should be reported in Digest? YES

BADAR DURREZ AHMED, J

1. The petitioner, Rajinder Kumar Aggarwal, is the proprietor of Aggarwal Sweets India, a shop selling sweets and n*amkeens* at 24, West Patel Nagar, New Delhi. The respondent No.2 is the Aggarwal Sweet Corner at 3/33, Double Story, Tilak Nagar, New Delhi which is the trading concern of Shri Ashok Kumar Aggarwal and Shri Vinod Kumar Aggarwal. The petitioner is aggrieved by the dismissal of his appeal by the Intellectual Property Appellate Board by its order dated 09.09.2004. The effect of the dismissal of the appeal is that the orders passed by the Assistant Registrar, rejecting the opposition

filed by the petitioner to the registration of the trademarks AGGARWAL and AGGARWAL SWEET CORNER under application Nos 453308B and 453309 were confirmed. Consequently, the respondent No.2 was entitled to the registration of the marks AGGARWAL and AGGARWAL SWEET CORNER. Of course, the latter trademark contained a disclaimer to the effect that it shall give no right to the exclusive use of the words "SWEET CORNER".

2. According to the petitioner, the word AGGARWAL cannot be registered as a trademark unless distinctiveness is established on the part of the applicant. The provisions of Section 9 of the Trade and Merchandise Marks Act, 1958 (hereinafter referred to as "the 1958 Act") were referred to by the petitioner to indicate that without distinctiveness, the word AGGARWAL, because it was both a surname and the name of a sect or caste, could not be registered. On the other hand, the respondent No.2 contends that the word AGGARWAL can be registered as a trademark. It was also contended on behalf of the respondent No.2 that, in any event, this issue as to whether it can or cannot be registered as a trademark, cannot be debated in a writ petition.

3. I may point out that, as per the order dated 16.03.2007 passed by this Court, the only point that requires consideration in this writ petition is whether the word AGGARWAL can be registered as a trademark in law? An additional plea was also raised by Mr Sudhir Chandra, the learned Senior counsel, who appeared on behalf of the respondent No.2 that this issue cannot be debated in a writ petition.

4. Before a discussion of the points in issue is taken up, it would be appropriate to indicate the sequence of events. On 30.04.1986, the respondent No.2 made the two aforesaid applications for registration of the trademarks AGGARWAL and AGGARWAL SWEET CORNER in respect of sweets and *namkeens*. In both applications, the respondent No.2 claimed user since 01.06.1984. On 01.04.1990, the applications were advertised in the Trade Mark Journal. On 18.05.1990, the petitioner filed its opposition being DEL-6766 under Section 21 of the 1958 Act raising objections under Sections 9, 11 and 18 of the said Act. On 17.07.1991, the respondent No.2 filed a counter statement to the opposition filed by the petitioner. On 16.03.1992, the petitioner filed its evidence under Rule 53 in the shape of affidavits of six persons. Apparently, on 10.08.1994, the matter was heard by the Assistant Registrar. Although, according to the petitioner, the respondent No.2 had not filed any evidence in support of its application. By an order dated 06.09.1994, the Assistant Registrar rejected the petitioner's opposition and accepted the respondent No.2's applications. Being aggrieved, the petitioner filed an appeal on 13.09.1994 under Section 109(2) of the 1958 Act before this court. The said appeal was numbered as CM(M) 419/1994. On 23.04.1996, in view of Section 100 of the Trade Marks Act, 1999 (which had been enacted in the meanwhile), this court transferred the appeal to the Intellectual Property Appellate Board. The appeal was re-numbered as TA 95/2003/TM/DEL. Three other appeals connected with the question of registration of the trademarks AGGARWAL

and AGGARWAL SWEET CORNOR in favour of the respondent No.2 were also pending before this court. They were also transferred and they were numbered as TA Nos 94, 97 & 100/2003. By virtue of the impugned order dated 09.09.2004, the Intellectual Property Appellate Board dismissed all the appeals and confirmed the orders passed by the Deputy Registrar / Assistant Registrar as the case may be. The effect of the order dated 09.09.2004 was that the respondent No 2's right to have the trademarks AGGARWAL and AGGARWAL SWEET CORNER registered in its favour was upheld.

5. As noted above, the main question involved in this petition is whether the word AGGARWAL can be registered as a trademark. It is admitted by all the parties that the 1958 Act would apply. It is also admitted by the parties that the provisions of Section 9 (1) (2) and (3) of the said Act would be applicable because the question of registration of the trademark in part A of the register is in issue. The said provisions read as under :

> "**9. Requisites for registration in Parts A and B of the register.** - (1) A trade mark shall not be registered in Part A of the register unless it contains or consists of at least one of the following essential particulars, namely :-
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> (a) the name of a company, individual or firm represented in a special or particular manner;
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> (b) the signature of the applicant for registration or some predecessor in his business;
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> (c) one or more invented words;
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> (d) one or more words having no direct reference to the character or quality of the goods and not

being according to its ordinary signification, a geographical name or a surname or a personal name or any common abbreviation thereof or the name of a sect, caste or tribe in India;

(e) any other distinctive mark.

(2) A name, signature or word, other than such as fall within the descriptions in clauses (a), (b), (c) and (d) of sub-section (1) shall not be registrable in Part A of the register except upon evidence of its distinctiveness.

(3) For the purposes of this Act, the expression "distinctive" in relation to the goods in respect of which a trade mark is proposed to be registered, means adapted to distinguish goods with which the proprietor of the trade mark is or may be connected in the course of trade from goods in the case of which no such connection subsists either generally or, where the trade mark is proposed to be registered subject to limitations, in relation to use within the extent of the registration."

6. Mr Sudhir Chandra, the learned counsel appearing on behalf of the respondent No.2, sought to analyze the provisions of Sections 9 (1) and (2). He submitted that under Section 9 (1) of the 1958 Act, a trade mark cannot be registered in Part A of the Register unless it contains or consists of at least one of the essential particulars specified in sub-clauses (a) to (e). According to him, the simple reading of Section 9(1) is that if a trade mark contains or consists of the name of a company, individual or firm represented in a special or particular manner, the said mark would qualify for registration under clause (a). It was further contended that similarly if a trade mark contains or consists of the signature of the applicant for registration or some predecessor in his business, it would qualify for registration under clause (b). If a trademark contained or

consisted of one or more invented words, the same would qualify for registration under clause (c). With regard to clause (d), it was submitted, if a trade mark contains or consists of one or more words having no direct reference to the character or quality of the goods and not being according to its ordinary signification, a geographical name or a surname or a personal name or any common abbreviation thereof or the name of a sect, caste or tribe in India, the same would qualify for registration under the said clause. It was also submitted that a trade mark which is otherwise distinctive would, in any event, qualify for registration in view of clause (e).

7. It was thus contended that the trademark falling in clauses (a) to (e) qualified for registration in Part A of the register without there being any requirement of establishing distinctiveness by evidence of user. No such evidence is necessary, according to Mr Sudhir Chandra under Section 9(1) of the 1958 Act. He submitted that sub-section (2) of Section 9 deals with the trademarks consisting of names, signatures or words which would qualify for registration only upon evidence of distinctiveness. The evidence of distinctiveness is required to be shown in respect of trademarks which consist of names, signatures or words, other than those falling in the description in clauses (a), (b), (c) and (d) of sub-section (1). According to Mr Sudhir Chandra, this means that caste names, regional names, surnames etc having reference to character and quality of goods can be registered if they have acquired distinctiveness by user.

8. It was further contended that the trademarks consisting of names, signatures or words, can be divided into two categories :- (1) those falling under sub-section (1) of Section 9; and (2) those not falling under sub-section (1) of Section 9 but which are governed by sub-section (2) of Section 9. It was submitted that for a trademark falling in the first category, there is no requirement of law for filing evidence of distinctiveness of the trademark if it otherwise qualifies under any of the clauses (a) to (d) of section 9(1). It was then contended that the geographical name or a surname or a personal name or any common abbreviation thereof or the name of a sect, caste or tribe in India would qualify for registration if the same had no direct reference to the character or quality of the goods and not being according to its ordinary signification, a geographical name or a surname. It was further submitted that applying the above principles to the present case, the application No.453309 in Class 30 consists of the name of the firm AGGARWAL SWEET CORNOR represented in a particular manner and would thus qualify for registration as per clause (a) of sub-section (1) of Section 9 without any requirement of establishing distinctiveness by evidence. Moreover, it was contended, the surname AGGARWAL has no direct reference to the character or quality of the goods for which the registration is desired and has been granted by the Registrar and the Intellectual Property Appellate Board. AGGARWAL is not such a surname which in its ordinary signification has reference to sweets or edible articles for human consumption. Consequently, according to Mr Sudhir

Chandra, the trademark AGGARWAL would also qualify for registration under clause (d) of sub-section (1) of Section 9. It was lastly submitted that even otherwise the names, signatures or words could qualify for registration under sub-section(2) of Section 9 but upon evidence of distinctiveness. It was, therefore, contended that there is no prohibition contained in Section 9 of the 1958 Act for registration of, *inter alia*, a surname which has no direct reference to the character or quality of the goods and are not associated in their ordinary signification with the goods for which the registration is desired. The condition of evidence of distinctiveness would apply only to those names which do not fall in clauses (a) to (d) of sub-section (1) of Section 9.

9. On the other hand, Mr Manmohan, the learned counsel for the petitioner submitted that a surname or a name of a sect / caste cannot be registered unless and until there is clear evidence of its distinctiveness.

10. Upon examining the provisions of Section 9(1) and (2) of the 1958 Act and considering the submissions made by the learned counsel, I am of the view that the submissions made by Mr Manmohan deserves to be accepted and those made by Mr Sudhir Chandra can only be accepted in part. Insofar as the provisions of Section 9(1)(a) are concerned that was not in issue before the Assistant Registrar nor was it in issue before the Intellectual Property Appellate Board. And, therefore, it would not be proper for this court to examine as to whether the respondent No 2's application fell within Section 9(1)(a) of the 1958 Act. The only issue that arose was with regard to the word AGGARWAL

being registrable in view of the fact that it was a surname. It is another matter that it also happens to be the name of a sect / caste in India. That does not alter the position inasmuch as a surname and name of a sect / caste stand on the same footing. In this petition, we are only concern as to whether the word AGGARWAL, which is admittedly a surname, can be registered under Section 9(1) (d) or under Section 9(2). Clause (d) of Section 9(1) has two parts. The first part relates to one or more words having no direct reference to the character or quality of the goods. The second part creates an exclusion in respect of the said one or more words which in their ordinary signification are not geographical names, surnames, personal names or any common abbreviation thereof or the names of the sect, caste or tribe in India. The two parts are linked by the conjunctive word "and". This would mean that if a word were to qualify for registration under clause (d), it must first pass the test of not having any direct reference to the character or quality of the goods. Once it clears this test, it must face the second test and that is that the word must not, according to its ordinary signification, be, *inter alia*, a surname or a name of the sect / caste in India. So, although a word may have no direct reference to the character or quality of the goods, it may still not be registrable under the said clause (d) if it happens to be, according to its ordinary signification, *inter alia*, a surname or the name of a sect/caste in India. This is where Mr Sudhir Chandra has gone wrong in submitting that since the surname AGGARWAL has no direct reference to the character or quality of the goods, it would qualify for

registration under clause (d) of sub-section (1) of Section 9. As pointed out above, this is not correct. If a word is to qualify for registration under clause (d), it has to pass both the tests and if it fails even one it would not fall under clause (d). The two tests being that the word must not have a direct reference to the character or quality of the goods and that it must not, inter alia, be a surname or name of a sect / caste in India. The word AGGARWAL passes the first test inasmuch as it has no direct reference to the character or the quality of the goods in question i.e., sweets and *namkeens*. But, it fails the second test. It is a surname and it is also the name of a sect/caste in India.

11. This being the position AGGARWAL by itself cannot be registered under Section 9(1). However, it can be registered by invoking the provision of Section 9(2) which clearly and specifically provides that a name, signature or word, other than such as fall within the description in clauses (a) to (d) of sub-section (1) shall not be registrable in Part A of the register except upon evidence of its distinctiveness. This makes it clear that a word which happens to be a surname or the name of a sect/caste in India, cannot be registered under Section 9(1) but can be registered as a trademark upon evidence of its distinctiveness. Thus, the word AGGARWAL is certainly registrable in part A of the Register but there must be clear evidence of its distinctiveness.

12. It is here where sub-section (3) of Section 9 of the 1958 Act comes into play. This provision defines the expression "distinctive" in relation to the goods in respect of which a trade mark is proposed to be registered to mean

"adapted to distinguish goods" with which the proprietor of the trade mark is or may be connected in the course of trade from goods in the case of which no such connection subsists either generally or, where the trade mark is proposed to be registered subject to limitations, in relation to use within the extent of the registration.

13. There is one aspect of the matter which needs clarification and that is that there is a difference between the user and distinctiveness in relation to a trade mark. It is possible that a proprietor of a trademark may be using the same for decades without acquiring distinctiveness. An example of this would be when there are several users of the same trade mark for over a length of time then, although each one of them would have evidence to establish user, none of them would be able to prove distinctiveness in relation to their products. Therefore, the difference between user and distinctiveness must be kept in the forefront. While distinctiveness cannot be established without evidence of user, the converse is not true. In other words there may be user without distinctiveness. Reference may be made to paragraphs 8-125, 8-126 and 8-127 of ***Kerly's Law of Trade Marks and Trade Names 14th Edition : Thomson Sweet & Maxwell*** which is to the following effect :-

"Mere Evidence of Use

8-125 There has been a tendency for applicants seeking to demonstrate distinctiveness acquired through use, to rely on financial evidence of turnover and advertising expenditure.[14] This type of financial evidence is a

14 This tendency may have been encouraged by the standard form of evidence of use which has been

necessary part of any attempt to prove acquired distinctiveness, but it cannot do the job by itself. As Jacob J. has said :

> "Mere evidence of use of a highly descriptive or laudatory word will not suffice, without more, to prove that it is distinctive of one particular trade – is taken by the public as a badge of origin. This is all the more so when the use has been accompanied by what is undoubtedly a distinctive and well-recognized trade mark."[15]

and, later in the same judgment :

> "I have already described the evidence used to support the original registration. It was really no more than evidence of use. Now it is all too easy to be beguiled by such evidence. There is an unspoken and illogical assumption that "use equals distinctiveness". The illogicality can be seen from an example : no matter how much use a manufacturer made of the word "Soap" as a purported trade mark for soap the word would not be distinctive of his goods."[16]

8-126 To similar effect, Morritt L.J. in *Bach flower Remedies* : "First, use of a mark does not prove that the mark is distinctive. Increased use, of itself, does not do so either. The use and increased use must be in a distinctive sense to have any materiality."[17]

8-127 This is the point. It is necessary to combine evidence of the scale of use provided by financial information with evidence that the use has been so as to distinguish – on the product, in relation to the service, in advertising or promotion. Sometimes the way in which the mark is

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part of the Registry Work Manual for some years. The apparent concentration on turnover and advertising expenditure may obscure the fact that what is required is evidence of distinctiveness and not evidence of use.

15 British Sugar [1996] R.P.C. 281 at 286

16 At 302

17 [2002] R.P.C. 513 at 530

> presented to the public indicates whether the owner really trusts the mark to function as a trade mark."

It is, therefore, clear that mere user would not establish distinctiveness and unless and until clear evidence of distinctiveness is given, a surname, such a AGGARWAL, cannot be registrable. The distinctiveness has also to be construed in the light of the provision of Section 9(3).

14. Let me now consider the impugned order dated 09.09.2004 passed by the Intellectual Property Appellate Board. A careful examination of the order 'reveals' that there is no discussion with regard to the evidence of distinctiveness of the surname AGGARWAL in relation to the respondent No 2's goods. In fact, it appears that the Appellate Board was only concerned with the issue of user and once that was established, according to it, it was sufficient for the purpose of the case. The following observation in the impugned order would indicate this:-

> "We believe that so much of the documentary evidence for this period is enough to establish that there was a user as from the date claimed in the application and it was a consistent user."

As already indicated above, mere evidence of use is not sufficient in itself to establish distinctiveness. Unless and until distinctiveness is proved, a word such as AGGARWAL which happens to be a surname is not registrable. I find that the Appellate Board has unfortunately not examined the issue of distinctiveness at all and has only concentrated on user. While dismissing the appeals and rejecting the petitioner's case, the Appellate Board also observed:-

> "16. We have heard both the counsel very cerefully and have gone through the various documents filed by them in support of their claim. We find that *sine qua non* for entitlement under section 9 is that one who contests for the mark should be prior user in time and even should have been consistently using the mark from the date so claimed. Respondent, in this case, filed his applications on 30.4.86 and has claimed his use from 1.6.84. He has adduced sufficient evidences to prove his claim that he had been extensively and consistently making use of both the marks from 1.6.84."

The above observation suffers from two infirmities. The first infirmity is statement that only a person with an established prior use can contest the registration of a mark. Section 21 of the 1958 Act which refers to opposition to registration begins with the words "any person may". It is not at all a condition for moving any application opposing a registration that the applicant must be a prior user or even a user at all. The second infirmity which has already been dealt with earlier is that the Appellate Board has again displayed its concern with the question of the respondent No 2 proving his claim of user since 1.6.84 rather then examining the material issue of distinctiveness.

15. This brings me to the question of maintainability of the writ petition. It has been argued on behalf of the respondent No.2 that the matters and the issues involved in the present petition are not to be gone into in exercise of this court's power under Articles 226 / 227 of the Constitution of India. It is correct that this court is not sitting as a court of appeal and cannot re-appreciate evidence and examine factual matters. But, what I find in the present case is that the Appellate Board has not even broached the subject of distinctiveness

and has been overly concerned with establishing the user of the respondent No.2 from the date it claimed in its application for registration. This is not a case of re-appreciation of evidence. It is a case where the Appellate Board has not examined any material at all with regard to distinctiveness. In fact, it has not returned any finding with regard to distinctiveness. A writ petition in such a situation would definitely be maintainable. It would, however, not be appropriate for this court to examine and determine the factual issues of distinctiveness. That is best left to the Appellate Board. Accordingly, the impugned order is set aside and the matter is remanded to the Intellectual Property Appellate Board for the purposes of considering the question as to whether the word AGGARWAL which, admittedly is a surname, has acquired sufficient distinctiveness in relation to respondent No.2's goods to be registrable under the 1958 Act.

This writ petition stands disposed of. No order as to costs.

BADAR DURREZ AHMED
(JUDGE)

July 09, 2007
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